FRAMEWORK PROPOSAL FOR NON-FINANCIAL RISKS OF BLOCKCHAIN INFRASTRUCTURES

BRIDGING INDUSTRIES FOR A COMPREHENSIVE FRAMEWORK

Members of an industry-leading working group, representing Financial Market Infrastructures (FMIs), Global Systemically Important Banks (GSIBs), Multilateral Development Banks (MDBs), and crypto-native infrastructure providers (L1s), have come together to develop a unified framework **("The Risk and Mitigation Framework" or "RMF")** for managing the non-financial risks associated with utilizing public blockchain infrastructures for digital asset and other use cases. This initiative is being driven by the Global Blockchain Business Council (GBBC) and Oliver Wyman.

The RMF aims to establish a framework that empowers regulated and prudentially supervised financial institutions to safely and reliably deploy public blockchain infrastructures in their businesses to unlock innovations and efficiencies.

Rather than reinventing existing operational risk frameworks, the RMF leverages established standards such as ORX, NIST Cybersecurity Framework, and CSA Cloud Controls Matrix to distil a common starting point for the RMF. Public blockchain infrastructures present unique challenges, even if many of their risks closely align with traditional risk management frameworks. This initiative explicitly addresses these challenges by distinguishing between novel risks requiring entirely new mitigations, refined risks needing adjustments, and risks already adequately addressed by existing standards. Private permissioned blockchains are deliberately deemphasized from the analysis of this initiative as these risks are well documented and covered under existing standards.

MOTIVATION AND PRACTICAL VALIDATION

Institutional interest in public blockchain infrastructures is accelerating, driven by demand for efficiency, innovation and their improved usability and reliability. As with any new operating model, accurately assessing and mitigating risks is critical. Without a standardized and industry supported approach, adoption risks fragmentation.

Following the initial release of the RMF, subsequent phases will emphasize practical validation and refinement through structured benchmarking exercises, leveraging the real-world experience and insights from our working group members.

CORE OBJECTIVES

Three objectives are key to advancing public blockchain infrastructure adoption:

1. **Provide a concise, adaptable standard** by designing for seamless integration into existing risk management frameworks. The RMF should accommodate financial institutions at any stage of public blockchain infrastructure adoption.
2. **Facilitate regulatory endorsement through active dialogue** with policymakers and regulators to support harmonized policy development.
3. **Remove institutional obstacles** by addressing operational uncertainties and regulatory ambiguities, enabling confident and risk aware interactions with novel ecosystems.

SCOPE AND TIMELINE

The RMF will be developed in phases, progressively expanding its focus across asset classes and use cases. Phase 1, scheduled for Q2/Q3 2025, will establish foundational guidelines for blockchain infrastructures by addressing the tokenization of common financial instruments such as bonds and equities.

Phase 2, anticipated in Q3/Q4 2025, will expand the framework to include infrastructure solutions built on top of Layer 1 blockchains and address digital payment-related use cases. Finally, Phase 3 in 2026 will further extend the RMF to incorporate native cryptoasset use cases.

Risk and mitigation framework phases

Q2/Q3 2025

Foundational taxonomy and tokenized securities

- Focuses **on public Layer-1 blockchain infrastructures** (permissionless and permissioned)
- Addresses the deployment of **tokenized financial instruments,** such as digital bonds and equities

Q3/Q4 2025

Expansion to layer-2s and digital payments

- Expands RMF to **layer-2 blockchain technology** (built atop L1s)
- Expands RMF to **digital payment related use cases,** such as stablecoins

EARLY 2026

Expansion to cryptoassets

- Expands RMF to **native cryptoassets**

PATH TO DELIVERY

This initiative is a foundational step in a multi-year journey to support the institutional adoption of public blockchain infrastructures. Central to this effort is continuous public-private sector collaboration, integrating market feedback to ensure the RMF remains relevant, and aligned with evolving regulatory requirements, technological advancements, and institutional expectations.

Global Blockchain Business Council (GBBC) is the trusted non-profit association for the blockchain, digital assets, and emerging technology community. Founded in 2017 in Davos, Switzerland, GBBC furthers adoption of blockchain and emerging technologies by engaging regulators, business leaders, and global changemakers to harness these transformative tools for more secure and functional society.

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